

HOUSE BILL NO. 676

INTRODUCED BY R. MAEDJE

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING THAT 10 PERCENT OF THE INCOME TAXES DERIVED ON OR AFTER JANUARY 1, 2006, FROM A NATURAL RESOURCE PROJECT MUST BE ALLOCATED TO SUPPORT THE SCHOOL BASE FUNDING PROGRAM; DEFINING "NATURAL RESOURCE PROJECT"; AMENDING SECTION 15-1-501, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 15-1-501, MCA, is amended to read:

"15-1-501. Disposition of money from certain designated license and other taxes. (1) Except as provided in subsection (5), the state treasurer shall deposit to the credit of the state general fund in accordance with the provisions of subsection (3) all money received from the collection of:

(a) except as provided in subsection (6), income taxes, interest, and penalties collected under chapter 30;

(b) except as provided in 15-31-121, all taxes, interest, and penalties collected under chapter 31;

(c) oil and natural gas production taxes distributed to the general fund under 15-36-331;

(d) electrical energy producer's license taxes under chapter 51;

(e) the retail telecommunications excise tax collected under Title 15, chapter 53, part 1;

(f) liquor license taxes under Title 16;

(g) fees from driver's licenses, motorcycle endorsements, and duplicate driver's licenses as provided in 61-5-121;

(h) estate taxes under Title 72, chapter 16; and

(i) fees based on the value of currency on deposit and tangible personal property held for safekeeping by a foreign capital depository as provided in 15-31-803.

(2) The department shall also deposit to the credit of the state general fund all money received from the collection of license taxes and all net revenue and receipts from all sources, other than certain fees, under Title 16, chapters 1 through 4 and 6.

(3) Notwithstanding any other provision of law, the distribution of tax revenue must be made according to the provisions of the law governing allocation of the tax that were in effect for the period in which the tax revenue was recorded for accounting purposes. Tax revenue must be recorded as prescribed by the department of administration, pursuant to 17-1-102(2) and (4), in accordance with generally accepted accounting principles.

(4) All refunds of taxes must be attributed to the funds in which the taxes are currently being recorded. All refunds of interest and penalties must be attributed to the funds in which the interest and penalties are currently being recorded.

(5) The administrative assessment provided for in 15-1-141 must be deposited in an account in the state special revenue fund to the credit of the department.

(6) Ten percent of the income taxes collected from a natural resource project must be deposited in an account in the state special revenue fund to the credit of the superintendent of public instruction to fund the BASE funding program.

(7) "Natural resource project" means any of the following projects from which income taxes are derived on or after January 1, 2006:

(a) the construction of a power generation facility or a transmission line;

(b) the construction of an oil or gas well;

(c) an existing logging operation;

(d) an existing farming or ranching operation; or

(e) the construction of a rail line used to transport natural resources."

NEW SECTION. Section 2. Effective date -- applicability. [This act] is effective on passage and approval and applies to income taxes received on or after January 1, 2006.

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